

**STATE OF CALIFORNIA  
ENERGY RESOURCES CONSERVATION  
AND DEVELOPMENT COMMISSION**

Implementation of Renewables Portfolio  
Standard Legislation (Public Utilities Code  
Sections 381, 383.5, 399.11 through 399.15,  
and 445; [SB 1038], [SB 1078])

Docket No. 03-RPS-1078  
RPS Proceeding

**COMMENTS OF  
RIDGEWOOD RENEWABLE POWER, LLC  
ON  
RENEWABLE PORTFOLIO STANDARD: DECISION ON PHASE 2  
IMPLEMENTATION ISSUES – FINAL COMMITTEE DRAFT**

**September 29, 2003**

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Ridgewood Renewable Power, LLC (“Ridgewood”) is pleased to submit comments on the *Renewable Portfolio Standard: Decision on Phase 2 Implementation Issues – Final Committee Draft* (the “Final Draft”). The Final Draft is a substantial improvement over the draft report issued by the Commission’s Renewable Committee (the “Committee”), and Ridgewood strongly supports this revised decision with one exception: the Final Draft does not adequately address the requirement that out-of-state generators actually deliver renewable electricity to California.

**I. The Final Draft Appropriately Resolves Many Critical Issues.**

In Ridgewood’s comments to the *Renewable Portfolio Standard, Renewables Committee Decision on Phase 2 Implementation Issues - Draft Report* (the “Draft Report”) filed on July 17, 2003, Ridgewood identified several issues within the Draft Report that required clarification. Critical issues identified in Ridgewood’s comments included clarifying the definition of “repowered,” making the definition of renewable energy credits consistent with the definition established by the California Public Utilities Commission, and establishing a pre-certification process to allow renewable generators to obtain a preliminary determination as to whether their proposed project would be an eligible renewable generator under California’s renewable portfolio standard and would be eligible to receive supplemental energy payments. The Final Draft appropriately resolves each of these issues.

In particular, the Final Draft appropriately clarifies the definition of “repowered.” The Final Decision provides a clear list of what generating equipment must be replaced in order for a renewable generator to qualify as “repowered.” Ridgewood strongly supports this list and each element of that list. The Committee has accurately identified which equipment must be replaced in order for a facility to be “repowered” and has correctly found that generators should not be permitted to use refurbished equipment.

## **II. The Final Draft Should Be Modified to Require That Renewable Generating Facilities Located Outside Of California Must Properly Schedule and Deliver Electricity to California To Be Eligible For Supplemental Energy Payments.**

While the Final Draft correctly resolves many critical issues, the Final Draft does not adequately address the in-state delivery requirement associated with the renewable portfolio standard. The Final Draft should be modified to provide that only those entities that generate electricity and properly schedule and deliver that electricity to California should be eligible to receive supplemental energy payments. Under SB 1038 (2001-2002 Legislative Session), in order for a renewable generator to be eligible to receive supplemental energy payments, that generator must be located “in the state or near the border of the state with the first point of connection to the Western Electricity Coordinating Council (WECC) transmission system located within the state.”<sup>1</sup> Further, SB 67 (2003-2004 Legislative Session) will, once enacted, clarify that in order to be eligible to participate in California’s renewable portfolio standard, a renewable generator must “[demonstrate] delivery of energy to a retail seller...”<sup>2</sup> However, the Commission’s June 2003 *Renewables Portfolio Standard: Decision on Phase I Implementation Issues* (the “Phase I Decision”) does not clearly acknowledge this requirement. Under the Phase I Decision, a renewable generator is eligible to receive supplemental energy payment if it “is located so that it is or will be connected to the WECC grid, and is developed with guaranteed contracts to sell its power to [end-use customers of California IOUs].”<sup>3</sup> The Phase I Decision does not include any delivery requirement and the Final Draft does not resolve this issue.

As discussed by Ridgewood in its previous comments, if renewable generators located out-of-state are permitted to receive supplemental energy payments without properly scheduling and delivering electricity to California, the State will receive none of the environmental, electrical reliability or other benefits associated with this electricity. In particular, there will be no reduction in the fossil fuel-fired generation used in California unless renewable generators located outside of the State are required to

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<sup>1</sup> Cal. P.U. Code Section 383.5(b).

<sup>2</sup> Section 2 of SB 67; while this bill has not been signed into law yet, it is enrolled and awaiting the governor’s signature.

<sup>3</sup> Phase I Decision at 22.

properly schedule and deliver their electricity to California. In order to ensure that California receives the benefits contemplated by the renewable portfolio standard and in order for the final decision in this phase of the proceeding to be consistent with existing state law, the Final Draft should be modified to clarify that renewable generators are only eligible to receive supplemental energy payments if they generate electricity using eligible resources, and properly schedule and deliver such electricity to California.

### **III. Conclusion.**

For the reasons set forth above, Ridgewood supports the Final Draft and urges the Commission to make no modifications to the Final Draft except with respect to the in-state delivery requirement. The Final Draft should only be modified to require entities that are eligible to receive SEPs but are located out-of-state to properly schedule and deliver their electricity to California in order to ensure that California receives the environmental, electrical reliability or other benefits associated with renewable electricity as contemplated by the renewable portfolio standard.

Respectfully submitted,

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